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Copy No. 43

PSB D-18a/5
Oct. 23, 1952

PSYCHOLOGICAL STRATEGY BOARD
708 Jackson Place, N. W.
Washington 25, D. C.

MEMORANDUM FOR: The Honorable David K. E. Bruce,
Under Secretary of State
The Honorable William C. Foster,
Deputy Secretary of Defense
General Walter Bedell Smith,
Director of Central Intelligence
The Honorable W. Averell Harriman,
Director for Mutual Security
Brig. Gen. Millard C. Young,
Director, JSPD

SUBJECT: Fiscal Year 1954 Escapee Budget

1. At the request of the State Department member, the Psychological Strategy Board was asked to review the policy considerations involved in the fiscal 1954 budget prepared by the Department of State in furtherance of the Escapee program, as approved by the Board in PSB D-18/a. This budget recommends the expansion of PSB D-18/a to include assistance to certain escapees into the Near East, South Asia, the Far East as well as to Yugoslavs escaping into Europe.

2. The regular PSB panel concerned with PSB D-18/a, comprised of representatives from State, Defense, CIA, ODMS and the PSB Staff has reviewed the proposed extension and amendment of the plan and has reached the following conclusions:

- a. It is desirable to continue the present escapee program in Europe.
- b. It is desirable for political, psychological and intelligence reasons to expand the Escapee program in order to assist and move selected Chinese, particularly intellectuals now refugees in Hong Kong to the Island of Formosa, provided that the government of Chiang Kai-shek gives evidence of willingness to receive and integrate such refugees into Formosa.
- c. It is desirable in order to facilitate certain U.S. political and psychological objectives to expand the Escapee program to provide care and resettlement for selected escapees in Pakistan, Kashmir, Iran and possibly other areas in the Near East.

Security Information
TOP SECRET

84177

Page 1 of 3

Security Information
TOP SECRET

FSB D-18a/5
Oct. 23, 1952

d. With regard to Yugoslav escapees:

- (1) It is desirable to accept the recommendation of the State Department, which is responsible for operating the Escapee program, that:
 - (a) "It is urgent that funds be obtained to administer through the Escapee program machinery abroad the same kind of care and resettlement assistance to Yugoslav escapees as is provided in the Escapee program because the operation of the program would be seriously impaired if such assistance were not forthcoming."
- (2) It is the view of the Department of State that such assistance to the Yugoslav escapees will not prejudice implementation of existing U. S. policies relating to Yugoslavia providing:
 - (a) That no specific mention be made of Yugoslavia in any enabling legislation,
 - (b) and that since FSB D-18/a was developed for the purpose of facilitating U. S. psychological, political and intelligence programs directed against the Soviet Orbit, Yugoslav escapees would not be included under that plan.
(This was adopted by the entire panel.)

3. The panel considered that the position as to legislative authority for the ~~program~~ ^{FOREGOING} should be determined subsequently.

Recommendation:

It is recommended that the Board:

- a. Adopt the conclusions set forth by the panel.

Security Information
TOP SECRET

84177
Page 2 of 3

Security Information
TOP SECRET

PSB D-18a/5
Oct. 23, 1952

b. Request the Director of the Psychological Strategy Board:

- (1) To insure that arrangements be made under which the necessary interdepartmental coordination of these modifications in the plan will be effected.

/s/ Alan G. Kirk

Alan G. Kirk
Director

Attachment:
Escapee Program Submission
FY 1954.

84177

Security Information
TOP SECRET

Page 3 of 3